

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 096007
ORIGIN EB-08

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 TRSE-00
SS-15 PM-04 SSO-00 INRE-00 /047 R

DRAFTED BY EB/OA/AVP:SCKEITER:SP
APPROVED BY EB/OA:MHSTYLES
CAB/BE:JKISER (DRAFT)
L/EB:PMICKEY (DRAFT)
EA/ROC:HENGELBRECHT (DRAFT)
-----281918Z 033565 /41
O 281842Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY TAIPEI IMMEDIATE

LIMITED OFFICIAL USE STATE 096007

E.O. 11652: N/A

TAGS: EAIR, TW

SUBJECT: CIVAIR - ROC ATTEMPT TO ANNUL FREIGHT RATE

1. LAWYER FOR NORTHWEST AIRLINES HAS INFORMED DEPARTMENT THAT GOVERNMENT OF REPUBLIC OF CHINA (ROC) HAS ISSUED ORDER ANNULLING FREIGHT RATE 9902 (A CONTAINER RATE APPLYING TO ELECTRONICS AND CERTAIN OTHER PRODUCTS) EFFECTIVE MAY 1, 1977. DEPARTMENT UNDERSTANDS THAT RECENT IATA AGREEMENT ON FREIGHT RATES DOES NOT INCLUDE RATE 9902, AND ROC ACTION WAS PRESUMABLY TAKEN TO KEEP NON-IATA AIRLINES FROM CONTINUING TO CHARGE THE 9902 RATE, WHICH IS LOWER THAN NEW IATA AGREEMENT WOULD ALLOW.

2. USG VIEW IS THAT AIRLINES SHOULD BE ALLOWED, INDEED ENCOURAGED, TO CHARGE LOWEST RATES CONSISTENT WITH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 096007

REASONABLE PROFITS. MANY OTHER GOVERNMENTS PREFER NOT TO ALLOW NON-IATA AIRLINES TO CHARGE NON-IATA RATES, AND IN GENERAL OUR BILATERALS PERMIT THEM TO REFUSE NEW RATES CONTRARY TO THEIR VIEWS, AFTER PRESENTING USG WITH A TIMELY NOTICE OF DISSATISFACTION. HOWEVER, THEIR AUTHORITY TO ANNUAL EXISTING RATES IS OFTEN MORE CIRCUMSCRIBED, AND IN FACT THE US-ROC BILATERAL PROVIDES FOR NO SUCH AUTHORITY.

3. EMBASSY SHOULD CONFIRM FACTS OF CASE ASAP, AND IF ABOVE IS TRUE IT SHOULD IMMEDIATELY (EARLY 4/29 IF AT ALL POSSIBLE) MAKE FOLLOWING POINTS INFORMALLY TO APPROPRIATE AUTHORITIES:

A. THE US-ROC AVIATION BILATERAL CONTAINS NO PROVISION FOR THE UNILATERAL ANNULMENT OF ANY EXISTING RATE. PARAGRAPH 6 OF THE ANNEX RELATES BY ITS OWN TERMS ONLY TO "ANY NEW RATE". PARAGRAPH 7, WHICH DOES RELATE TO "THE PROPOSED RATE OR AN EXISTING RATE", PROVIDES ONLY THAT IF CONSULTATIONS ARE UNSUCCESSFUL IN RESOLVING A DISAGREEMENT, THE QUESTION WILL BE SUBMITTED, IF EITHER PARTY SO REQUESTS, TO THE INTERNATIONAL CIVIL AVIATION ORGANIZATION FOR AN ADVISORY OPINION.

B. FURTHERMORE, IF RATE 9902 WERE ANNULLED AND NORTHWEST WERE TO CHARGE THE NEW, HIGHER IATA RATE, IT WOULD BE IN VIOLATION OF THE BILATERAL AND CIVIL AERONAUTICS BOARD (CAB) TARIFFS.....

C. IN LIGHT OF THESE FACTORS, USG REQUESTS THAT THE EFFECTIVE DATE OF THE ROC ORDER ANNULING RATE 9902 BE INDEFINITELY DELAYED. SINCE ANY GOVERNMENT ANNULMENT OF EXISTING RATES CAN COME ABOUT ONLY WITH THE ASSENT OF BOTH PARTIES TO THE BILATERAL, THE CHINESE GOVERNMENT MAY WISH TO PROVIDE A STATEMENT OF THE REASONS FOR ITS DESIRED ACTION FOR U.S. GOVERNMENT STUDY AND COMMENT.

4. IF INITIAL SOUNDINGS INDICATE A MORE FORMAL APPROACH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 096007

IS DESIRABLE TO INCREASE THE PROBABILITY OF RAPID AND FAVORABLE ROC CONSIDERATION, ABOVE POINTS SHOULD ALSO BE INCORPORATED IN A DIPLOMATIC NOTE.

5. YOU MAY ALSO WISH TO SHARE INFORMALLY WITH CHINESE FOLLOWING INFORMATION ABOUT STATUS OF NEW IATA PACKAGE IN U.S.: WHILE CAB APPROVED IATA AGREEMENT LAST FALL, AIRLINES DELAYED FILING IMPLEMENTING TARIFFS PENDING APPROVAL BY OTHER COUNTRIES, ESPECIALLY JAPAN, WHICH FINALLY GAVE APPROVAL IN MARCH. IN MEANTIME AFFECTED SHIPPERS HAVE FILED MOTION FOR RECONSIDERATION WITH CAB, AND HAVE REQUESTED FROM COURTS A STAY OF IMPLEMENTATION OF EARLIER APPROVAL. RATHER THAN RISK AN INDEFINITE STAY, CAB DIRECTED A STAY UNTIL 15 DAYS AFTER IT HAS DISPOSED OF THE MOTION FOR RECONSIDERATION. AS OF MAY 1 THEREFORE, NEW IATA RATES WILL NOT BE VALID IN U.S., AND IT IS UNRTAIN WHEN THEY WILL BECOME VALID, IF EVER.

6. PLEASE REPORT REACTION.

VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR CARGO, FREIGHT RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE096007
Document Source: CORE
Document Unique ID: 00
Drafter: SCKEITER:SP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770149-0016
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977048/aaaaagkx.tel
Line Count: 117
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 07dac9a8-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2874640
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - ROC ATTEMPT TO ANNUL FREIGHT RATE
TAGS: EAIR, TW
To: TAIPEI
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/07dac9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009